

## **706-NA U.S. ESTATE TAX RETURN ORGANIZER FOR DECEDENTS DOMICILED IN CANADA**

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The organizer is designed to assist you in gathering the information required for preparation of the estate tax return and other required forms. Please complete it in full and provide details and documentation as required.

Also, enclosed is an engagement letter which explains the services that will be provided to the estate. Please sign a copy of the engagement letter and return it to us via portal, mail, or fax.

The filing deadline for the estate return is 9 months after the date of death. A six-month extension is available; note however, if an extension is required, any tax that may be due with the return must be paid with that extension. Any tax not paid by the filing deadline may be subject to late-payment interest and penalties.

### **EXPLANATION OF THE U.S. ESTATE TAX**

When an individual who (i) is not a U.S. citizen, or (ii) is a U.S. green card holder or U.S. nonresident alien domiciled in a foreign country passes away owning "U.S. situs" assets exceeding US \$60,000 in the aggregate, a U.S. estate tax return must be filed. For most non-citizens, non-residents domiciled in Canada, there is usually no actual estate payable if the worldwide assets of the decedent do not exceed approximately US \$12,920,000 (for 2023) AND the decedent's estate is willing to disclose and adequately document the worldwide assets of the decedent. (See the section below entitled "**PART IV - ESTATE TAX REDUCTION FOR CANADIAN ESTATES CLAIMING TAX TREATY BENEFITS**"). However, failure to file the return can result in an IRS lien on the property, and difficulty in selling the property until the estate tax return is filed.

The estate tax is based on the value (not on the appreciation up to the date of death) of the "U.S. situs assets" at the date of death or six months later, if elected. If any estate tax is due and not paid, it can result in personal liabilities for executors and heirs. U.S. situs assets include, among others, U.S. real estate, and the shares of U.S. corporations regardless of the country in which the U.S. shares are held, and regardless of whether they are held in a foreign (non-U.S.) retirement or pension vehicles. When U.S. real estate is "jointly" owned, it may pass automatically to the surviving joint owner under real estate law, but that does not change the requirement for an estate tax return under estate tax law

The executor must sign the estate tax return under penalty of perjury.

### **PART I - DECEDENT, EXECUTOR, AND ATTORNEY**

#### **DECEDENT**

Name of decedent \_\_\_\_\_ U.S. Taxpayer Identification Number, if any \_\_\_\_\_

Place of death \_\_\_\_\_ Domicile at time of death \_\_\_\_\_ Citizenship \_\_\_\_\_

Date of death \_\_\_\_\_ Business or occupation (former occupation if retired) \_\_\_\_\_ Date of birth \_\_\_\_\_

Place of birth \_\_\_\_\_ Citizenship of parents \_\_\_\_\_

Name of surviving spouse (if any) \_\_\_\_\_ Citizenship of surviving spouse \_\_\_\_\_

#### **EXECUTOR**

Name of U.S. executor \_\_\_\_\_ Telephone \_\_\_\_\_ Email \_\_\_\_\_

Address of U.S. executor \_\_\_\_\_

Name of foreign executor \_\_\_\_\_ Telephone \_\_\_\_\_ Email \_\_\_\_\_

Address of foreign executor \_\_\_\_\_

#### **ATTORNEY**

Is court probate required in the United States? Yes / No \_\_\_\_\_

Name and address of U.S. lawyer performing court probate or whom you would like to record the ultimate tax clearance certificates \_\_\_\_\_

\_\_\_\_\_

## PART II - GENERAL INFORMATION REQUIRED

- Did the decedent die testate (with a will)? Yes / No \_\_\_\_\_
- Were letters testamentary or letters administration granted for the estate?  
(e.g., was there foreign or U.S. court probate, or were any other documents filed with any court) Yes / No \_\_\_\_\_
- Please attach a copy of the following:
- Death Certificate Done / NA \_\_\_\_\_
  - Certified copy of the will any codicil Done / NA \_\_\_\_\_
  - Letters testamentary or letters of administration Done / NA \_\_\_\_\_
- (Attach an English translation to all documents in other languages)
- Was the decedent ever a U.S. citizen or resident? Yes / No \_\_\_\_\_  
If "Yes", did the decedent lose U.S. citizenship or residency within 10 years of death? Yes / No \_\_\_\_\_  
What U.S. visa status (if any) did the decedent have at the date of death? \_\_\_\_\_
- Was the decedent engaged in business in the U.S. at time of death? Yes / No \_\_\_\_\_
- At the date of death, did the decedent have access personally, or through an agent, to a safe deposit box in the United States?  
If "Yes", please attach a detailed list of the contents. Yes / No \_\_\_\_\_  
Done / NA \_\_\_\_\_
- Did the decedent ever make any transfer of U.S. assets prior to death? Yes / No \_\_\_\_\_
- At the date of death, did the decedent have any trusts still in existence?  
If "Yes", did the trusts include assets located in the U.S.? Yes / No \_\_\_\_\_  
Yes / No \_\_\_\_\_
- At the date of death, did the decedent have a general power of appointment over any assets located in the United States? Yes / No \_\_\_\_\_
- Have U.S. federal gift tax returns ever been filed?  
If "Yes", when \_\_\_\_\_ At what IRS offices were they filed? \_\_\_\_\_ Yes / No \_\_\_\_\_
- Does the gross estate in the U.S. include any interests in assets transferred to a "skip person"?  
(i.e., to an heir 2 generations or more below the decedent) Yes / No \_\_\_\_\_

## PART III - SPECIFIC INFORMATION REQUIRED ON ASSETS SUBJECT TO U.S. ESTATE TAX (i.e., the U.S. situs "inventory")

At the date of death, did the decedent own any of the following:

1. Real property located in the United States? Yes / No \_\_\_\_\_  
If "Yes", please attach the following for each property:
  - Property address and name of the owner(s) Done / NA \_\_\_\_\_
  - Deed, an appraisal of the property (or a realtor's opinion of value with comparables as of the date of death) Done / NA \_\_\_\_\_
  - Value and description of the furnishings Done / NA \_\_\_\_\_
2. Equity memberships in U.S. golf or country clubs, or in any other U.S. athletic or social entities? Yes / No \_\_\_\_\_  
If "Yes", please describe \_\_\_\_\_
3. Publicly traded U.S. corporate stock? (i.e., stock of a U.S. corporation, such as Microsoft, Apple, etc.) Yes / No \_\_\_\_\_  
**Note:** The estate return must report the ownership of U.S. stock regardless of the country in which it is held.  
If "Yes", please attach a list of the details of each stock showing:
  - The name of the corporation, the number of shares owned, its stock market symbol Done / NA \_\_\_\_\_
  - Each share's value at the date of death, and attach the brokerage statement covering the date of death and six months after the date of death Done / NA \_\_\_\_\_
  - Copies of all stock certificates held by the decedent that were not listed on the brokerage statements Done / NA \_\_\_\_\_
4. U.S. money market funds, U.S. mutual funds, and/or U.S. bond certificates? Yes / No \_\_\_\_\_  
If "Yes", please attach the brokerage statement covering the date of death and six months after the date of death. Done / NA \_\_\_\_\_
5. U.S. bank accounts and/or certificates of deposits? Yes / No \_\_\_\_\_  
If "Yes", please attach a list of the names and addresses and the bank statements covering the date of death. Done / NA \_\_\_\_\_
6. U.S. life insurance? Yes / No \_\_\_\_\_  
If "Yes", please attach a list and the life insurance statements issued by the life insurance companies. Done / NA \_\_\_\_\_
7. U.S. annuities, U.S. IRA's, 401(k)s and other retirement plans? Yes / No \_\_\_\_\_  
If "Yes", please attach a list and the brokerage, bank, or plan participant statements covering the date of death. Done / NA \_\_\_\_\_

8. Other U.S. situs assets, including (but not limited to) vehicles, yachts, RVs, or substantial jewelry, artworks or antiques that normally remained in the U.S?  
 If “Yes”, please attach a list. Yes / No \_\_\_\_\_  
 Done / NA \_\_\_\_\_
9. Debt obligations from U.S. persons or entities (e.g., was any debt owed to the decedent by a U.S. citizen, resident or entity, or did the decedent own any U.S. government, institutional or corporate debt, including notes or bonds.)  
 If “Yes”, please attach a list. Yes / No \_\_\_\_\_  
 Done / NA \_\_\_\_\_
10. Shares of a private U.S. corporation?  
 If “Yes”, please attach the following for each corporation: Yes / No \_\_\_\_\_
- Stock certificates Done / NA \_\_\_\_\_
  - Buy-sell agreements Done / NA \_\_\_\_\_
  - Tax returns and the complete set of financial statements for the year covering the date of death Done / NA \_\_\_\_\_
  - Appraisal or other valuation Done / NA \_\_\_\_\_
  - Appraisals, bank and/or brokerage statements to substantiate the fair market value of assets held Done / NA \_\_\_\_\_
  - Any recent sales of stock by the decedent or other shareholders Done / NA \_\_\_\_\_
  - Other stockholders and shares held Done / NA \_\_\_\_\_
- (Attach an English translation to all documents in other languages)
11. Interest in a partnership, LLC, joint venture, and/or other unincorporated business?  
 If “Yes”, please provide the percentage of ownership interest in the partnership, LLC, joint venture, and/or other unincorporated business and attach the following for each: Yes / No \_\_\_\_\_
- Partnership, operating, or ownership agreement Done / NA \_\_\_\_\_
  - Buy-sell agreements Done / NA \_\_\_\_\_
  - Tax returns and the complete set of financial statements for the year covering the date of death Done / NA \_\_\_\_\_
  - Appraisal or other valuation Done / NA \_\_\_\_\_
  - Appraisals, bank and/or brokerage statements to substantiate the fair market value of assets held Done / NA \_\_\_\_\_
- (Attach an English translation to all documents in other languages)
12. In the case of any jointly owned asset(s) listed above, did the surviving joint owner contribute funds to the purchase of, or, improvements to the asset(s), or to its mortgage payments?  
 If “Yes”, please provide proof of contributions, such as cancelled checks, bank statements, etc.  
Please call us to discuss. Yes / No \_\_\_\_\_  
 Done / NA \_\_\_\_\_
13. U.S. pensions for which payments continued to another person after death?  
 If “Yes”, please describe \_\_\_\_\_ Yes / No \_\_\_\_\_

**PART IV - ESTATE TAX REDUCTION FOR CANADIAN ESTATES CLAIMING TAX TREATY BENEFITS**

**TAX TREATY UNIFIED CREDIT**

The tax treaty between Canada and the United States is extremely helpful in reducing, or even eliminating, U.S. estate tax for non-U.S. citizens or U.S. nonresident aliens domiciled in Canada, **provided the worldwide assets are adequately documented and the estate files all the paperwork required.**

The amount of estate tax that would otherwise be due on the taxable estate, absent the treaty, can be reduced by an increase in the “unified tax credit” under the treaty. The tax treaty provides Canadians with a portion of the unified tax credit that is available to U.S. citizens. For 2023, the maximum unified tax credit available to U.S. citizens is US \$5,113,800. Under the tax treaty, that maximum unified credit is available to Canadian estates in proportion to the decedent’s U.S. situs assets (above) divided by the decedent’s worldwide assets (which must be adequately documented). (E.g., if 10% of the decedent’s worldwide assets were U.S. situs assets, the estate is entitled to a unified tax credit of US \$511,380 (2023), provided the estate furnishes all of the documentation required.)

**Documentation Required**

To obtain the unified tax credit under the treaty, the estate must attach to the estate tax return a list (inventory) of the decedent’s worldwide assets at the date of death. These additional worldwide assets (beyond the U.S. situs assets) are not subject to U.S. estate tax, but they must be disclosed and documented on the estate tax return in order to obtain the treaty unified tax credit. For example, if there is a Canadian securities account or RRSP account, it would be listed, and the statement from the relevant brokerage account showing each security at the date of death must be attached to the U.S. estate tax return. Please refer to type of assets listed and information required above above in “PART III - SPECIFIC INFORMATION REQUIRED ON ASSETS SUBJECT TO U.S. ESTATE TAX” to help assist with the worldwide inventory.

Do you wish to claim this treaty unified tax credit? Yes / No \_\_\_\_\_  
 If “Yes”, please provide the list of worldwide assets (worldwide inventory) and the documentation requested above. Done / NA \_\_\_\_\_

**MARTIAL TAX CREDIT**

In addition to the unified tax credit, Canadian estates are entitled to a marital tax credit under the tax treaty, to the extent the U.S. situs assets pass to a surviving spouse.

Do all U.S. situs assets (above) pass to the surviving spouse?

Yes / No \_\_\_\_\_

**REDUCTION IN U.S. TAXABLE ESTATE FOR DEBTS AND FINAL EXPENSES OF THE DECEDENT WHEN  
WORLDWIDE ASSETS ARE DISCLOSED**

The amount of U.S. situs assets subject to U.S. estate tax (and therefore the amount of estate tax, if any) can be reduced by a portion of the debts and "final" expenses of the decedent. Such items include (among others) the decedent's worldwide debt including any home country income tax liability, and funeral, burial, and certain medical, administration, and legal expenses of the decedent/estate. The total of the debts and expenses can be deducted only in proportion to the decedent's U.S. situs assets (above) divided by the decedent's worldwide assets (which must be documented). If the tax treaty claim (above) is being made, the worldwide asset information is already available, and only the debts and expenses are required. In many cases, the two treaty tax credits will eliminate any tax, and the deduction for debts and expenses will not be necessary.

NAME AND TITLE OF PERSON PROVIDING THIS INFORMATION \_\_\_\_\_

EMAIL ADDRESS \_\_\_\_\_ HOME COUNTRY PHONE NO. \_\_\_\_\_

U.S. PHONE NO. \_\_\_\_\_ FAX NO. \_\_\_\_\_

**THE UNDERSIGNED CERTIFIES, TO THE BEST OF HIS OR HER KNOWLEDGE, THAT THE INFORMATION DOCUMENTED IN AND PROVIDED WITH THIS ORGANIZER IS COMPLETE AND ACCURATE**

SIGNED \_\_\_\_\_ DATE \_\_\_\_\_

*If you would like to set-up an online portal account at our website to securely upload documents, please provide the email address which you wish to set as your user ID \_\_\_\_\_*

**KINDLY ANSWER ALL QUESTIONS AS WELL AS POSSIBLE AND ATTACH ALL DOCUMENTATION REQUESTED  
PLEASE CONTACT US FOR ANY EXPLANATION DESIRED**

PLEASE RETURN TO:

**ABITOS ADVISORS, LLC  
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